



# OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

Denny L. Nester, City Auditor  
MBA CPA CIA CFE CGFM CGAP

## 19-20 2019 Annual Follow-up

October 2019

### ***Purpose***

To determine whether management took appropriate and timely actions based upon their response to audit recommendations. Our scope includes audit report recommendations issued during 2018 along with open recommendations from prior periods.

### ***Highlights***

Based on our review, we conclude that 61% of the 2018 audit report recommendations that management committed to address by May 31, 2019 or prior period open recommendations were implemented or adequately addressed by management. The remaining recommendations were either open, to be followed up next year (37%), or (2%) management accepted the risk associated with the current status. Page two of this report presents the detailed results of our 2019 Annual Follow Up.

The Office of the City Auditor published 35 reports in 2018. 23 of those reports contained no audit issues for follow-up. Recommendations made in 2018 and recommendations carried over from prior years are summarized on page two of this report showing the implementation status.

Recommendations may be in progress or open due to valid operational and/or timing reasons. Eight management responses for 2018 issued reports indicated an implementation date to occur after May 31, 2019 and were not included in this year's review.

To comply with audit standards, "The Chief Audit Executive must establish a follow-up process to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action." The City Auditor developed this follow-up process and reports annually on the results of the process.

We reviewed 49 recommendations made by our office to determine whether management had taken action as indicated in their response to recommendations. We found:

- 30 Management responses (61%) were accomplished or management's actions adequately addressed the risk identified during our original audit. No further follow-up will be performed.
- 18 Open responses (37%) were noted and will be reviewed in the 2020 Annual Audit Follow-up.
- 1 Management response (2%) was considered acceptance of risk by management.

We would like to thank the City, Utilities, and Airport staff who assisted us in the audit.

City Council's Office of the City Auditor

City Hall, 107 North Nevada Ave. Suite 205, Mail Code 1542, Colorado Springs CO 80901-1575

Tel 719-385-5991 Fax 719-385-5699 Reporting Hotline 719-385-2387

[www.ColoradoSprings.gov](http://www.ColoradoSprings.gov)

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Implementation Status of Management Actions					
Report Number	Report Title	Implemented	Open	Risk Accepted	Comments
<b>City of Colorado Springs</b>					
15-19	Cash Receipts	1			
17-01	Parks, Recreation and Cultural Services Cash Receipts		1		In Progress
17-05	Cash Disbursements	1			
17-14	Liability Claims and Workers' Compensation Reserve Fund	1			
17-22	Procurement	1			
17-23	Security of Fire Department Electronic Information	1	5		* IT Audit
18-18	Police Impound Lot	3	1		In Progress
18-19	Cash Receipts Audit of Sales Tax and Pikes Peak America's Mountain	1	1		In Progress
18-32	Financial Assurances		2		In Progress
<b>Colorado Springs Airport</b>					
18-01	Airport Administration Prorate Review	2			
18-13	Airport Invoicing Application	4	3	1	* IT Audit
<b>Colorado Springs Utilities</b>					
15-18	Purchasing System Review	1			
17-13	Pole Attachments	1	1		In Progress
17-20	Information Technology Change Management	2			
18-07	Real Estate Services	3	1		In Progress
18-10	ECA & GCA Account Verification Review	1			
18-11	Procurement	1	1		In Progress
18-17	Capacity Planning	4			
<b>City of Colorado Springs and Colorado Springs Utilities</b>					
17-31	Fleet Savings Verification	2			
18-05	Banning Lewis Ranch		2		In Progress
<b>Totals</b>		<b>30</b>	<b>18</b>	<b>1</b>	
<b>Percentage of Total Recommendations</b>		<b>61%</b>	<b>37%</b>	<b>2%</b>	
*Details of Information Technology audits are not reported due to security risks.					

This audit was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing, a part of the Professional Practices Framework promulgated by the Institute of Internal Auditors.